

Translation

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Summary of Consolidated Financial Results for the Year Ended September 30, 2021 (Based on Japanese GAAP)

November 5, 2021

Company name: Fuji Pharma Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 4554 URL <http://www.fujipharma.jp>
 Representative: President & CEO Takayuki Iwai
 Corporate Officer, General Manager,
 Inquiries: Corporate Planning Department Takeshi Sato TEL 03-3556-3344
 Scheduled date of ordinary general meeting of shareholders: December 17, 2021
 Scheduled date to file Securities Report: December 20, 2021
 Scheduled date to commence dividend payments: December 20, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended September 30, 2021 (from October 1, 2020 to September 30, 2021)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended September 30, 2021	33,990	0.6	3,349	6.7	3,250	9.0	2,432	16.6
Year ended September 30, 2020	33,793	(6.9)	3,139	(24.8)	2,983	(28.4)	2,085	(29.6)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended September 30, 2021	90.54	–	6.7	5.2	9.9
Year ended September 30, 2020	66.94	–	5.3	4.9	9.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	64,239	32,681	50.9	1,345.56
As of September 30, 2020	61,962	39,961	64.5	1,282.43

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended September 30, 2021	5,993	(2,345)	(5,435)	10,199
Year ended September 30, 2020	5,770	(2,616)	450	12,041

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended September 30, 2020	–	14.00	–	15.00	29.00	904	43.3	2.3
Year ended September 30, 2021	–	14.00	–	15.00	29.00	705	32.0	1.9
Year ending September 30, 2022 (Forecast)	–	15.00	–	17.00	32.00		30.4	

3. Forecast of consolidated financial results for the year ending September 30, 2022 (from October 1, 2021 to September 30, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2022	17,473	5.8	1,643	(38.8)	1,668	(39.1)	1,211	(40.1)	49.86
Full year	35,966	10.2	3,490	4.2	3,540	8.9	2,562	5.3	105.49

4. Notes

(1) Changes in significant subsidiaries during the year ended September 30, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: Yes

Changes in accounting estimates: Yes

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2021	24,753,800 shares	As of September 30, 2020	31,253,800 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	466,989 shares	As of September 30, 2020	95,260 shares
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Average number of shares during the period

Year ended September 30, 2021	26,866,691 shares	Year ended September 30, 2020	31,157,378 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2020	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	12,041	10,199
Notes and accounts receivable - trade	11,700	11,866
Merchandise and finished goods	3,858	3,479
Work in process	2,265	2,999
Raw materials and supplies	4,557	5,528
Accounts receivable - other	8	118
Other	541	642
Allowance for doubtful accounts	(0)	(0)
Total current assets	34,975	34,834
Non-current assets		
Property, plant and equipment		
Buildings and structures	11,229	11,287
Accumulated depreciation	(5,280)	(5,692)
Buildings and structures, net	5,948	5,595
Machinery, equipment and vehicles	10,477	9,234
Accumulated depreciation	(7,029)	(7,039)
Machinery, equipment and vehicles, net	3,448	2,194
Land	897	984
Leased assets	4,319	5,923
Accumulated depreciation	(2,567)	(3,099)
Leased assets, net	1,752	2,824
Construction in progress	454	2,473
Other	1,410	1,464
Accumulated depreciation	(1,144)	(1,143)
Other, net	265	321
Total property, plant and equipment	12,767	14,392
Intangible assets		
Goodwill	1,144	865
Other	1,754	1,532
Total intangible assets	2,899	2,397
Investments and other assets		
Investment securities	7,000	7,762
Long-term advance payments	2,308	2,705
Deferred tax assets	1,189	1,349
Other	821	796
Total investments and other assets	11,320	12,614
Total non-current assets	26,987	29,404
Total assets	61,962	64,239

(Millions of yen)

	As of September 30, 2020	As of September 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,680	5,713
Short-term borrowings	1,000	7,000
Current portion of long-term borrowings	1,640	1,840
Lease obligations	516	681
Income taxes payable	460	823
Provision for bonuses	432	973
Provision for bonuses for directors (and other officers)	6	9
Provision for sales returns	21	19
Other	3,246	3,131
Total current liabilities	11,004	20,192
Non-current liabilities		
Long-term borrowings	7,590	6,633
Lease obligations	1,444	2,508
Retirement benefit liability	1,548	1,657
Other	413	566
Total non-current liabilities	10,996	11,365
Total liabilities	22,001	31,557
Net assets		
Shareholders' equity		
Share capital	3,799	3,799
Capital surplus	5,841	4,409
Retained earnings	30,424	24,628
Treasury shares	(68)	(590)
Total shareholders' equity	39,995	32,246
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(650)	(23)
Foreign currency translation adjustment	600	458
Remeasurements of defined benefit plans	12	(2)
Total accumulated other comprehensive income	(37)	432
Non-controlling interests	2	1
Total net assets	39,961	32,681
Total liabilities and net assets	61,962	64,239

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Net sales	33,793	33,990
Cost of sales	18,921	19,239
Gross profit	14,872	14,751
Selling, general and administrative expenses		
Sales commission	1,489	1,345
Salaries and bonuses	2,615	2,445
Provision for bonuses	250	604
Provision for bonuses for directors (and other officers)	10	13
Retirement benefit expenses	159	163
Research and development expenses	3,060	2,446
Depreciation	341	338
Amortization of goodwill	283	278
Other	3,521	3,766
Total selling, general and administrative expenses	11,732	11,402
Operating profit	3,139	3,349
Non-operating income		
Dividend income	0	7
Commission income	0	4
Dividend income of life insurance	5	1
Compensation income	6	2
Subsidy income	3	7
Other	8	6
Total non-operating income	26	30
Non-operating expenses		
Interest expenses	37	53
Sales discounts	7	7
Foreign exchange losses	135	48
Commission expenses	–	19
Other	1	0
Total non-operating expenses	181	129
Ordinary profit	2,983	3,250
Extraordinary income		
Gain on sale of non-current assets	4	2
Gain on sale of securities	–	153
Total extraordinary income	4	155

(Millions of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	69	22
Impairment losses	–	11
Total extraordinary losses	69	34
Profit before income taxes	2,918	3,371
Income taxes - current	724	1,264
Income taxes - deferred	107	(326)
Total income taxes	832	938
Profit	2,085	2,432
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	2,085	2,432

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Profit	2,085	2,432
Other comprehensive income		
Valuation difference on available-for-sale securities	(310)	627
Foreign currency translation adjustment	(296)	(142)
Remeasurements of defined benefit plans, net of tax	13	(15)
Total other comprehensive income	(593)	469
Comprehensive income	1,492	2,902
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,492	2,902
Comprehensive income attributable to non-controlling interests	0	0

Consolidated statements of changes in equity

Fiscal year ended September 30, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,799	5,841	29,243	(78)	38,804
Changes during period					
Dividends of surplus			(904)		(904)
Profit attributable to owners of parent			2,085		2,085
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares				10	10
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,181	10	1,191
Balance at end of period	3,799	5,841	30,424	(68)	39,995

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(340)	896	(0)	556	2	39,363
Changes during period						
Dividends of surplus						(904)
Profit attributable to owners of parent						2,085
Purchase of treasury shares						(0)
Disposal of treasury shares						10
Net changes in items other than shareholders' equity	(310)	(296)	13	(593)	0	(593)
Total changes during period	(310)	(296)	13	(593)	0	597
Balance at end of period	(650)	600	12	(37)	2	39,961

Fiscal year ended September 30, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,799	5,841	30,424	(68)	39,995
Changes during period					
Dividends of surplus			(808)		(808)
Profit attributable to owners of parent			2,432		2,432
Purchase of treasury shares				(9,391)	(9,391)
Disposal of treasury shares			(2)	18	16
Cancellation of treasury shares		(1,432)	(7,418)	8,851	–
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net changes in items other than shareholders' equity					
Total changes during period	–	(1,431)	(5,796)	(521)	(7,749)
Balance at end of period	3,799	4,409	24,628	(590)	32,246

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(650)	600	12	(37)	2	39,961
Changes during period						
Dividends of surplus						(808)
Profit attributable to owners of parent						2,432
Purchase of treasury shares						(9,391)
Disposal of treasury shares						16
Cancellation of treasury shares						–
Change in ownership interest of parent due to transactions with non-controlling interests						0
Net changes in items other than shareholders' equity	627	(142)	(15)	470	(0)	469
Total changes during period	627	(142)	(15)	470	(0)	(7,280)
Balance at end of period	(23)	458	(2)	432	1	32,681

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	2,918	3,371
Depreciation	1,774	1,828
Impairment losses	–	11
Amortization of goodwill	283	278
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in provision for bonuses	(424)	540
Increase (decrease) in provision for bonuses for directors (and other officers)	(1)	3
Increase (decrease) in retirement benefit liability	180	99
Interest and dividend income	(1)	(7)
Interest expenses	37	53
Foreign exchange losses (gains)	104	28
Loss on retirement of non-current assets	69	22
Loss (gain) on sale and valuation of investment securities	–	(153)
Decrease (increase) in trade receivables	1,203	(174)
Decrease (increase) in inventories	(23)	(1,340)
Increase (decrease) in trade payables	(1,102)	2,038
Decrease (increase) in long-term advance payments	–	(86)
Insurance claim income	(0)	(0)
Other, net	1,515	443
Subtotal	6,533	6,957
Interest and dividends received	1	7
Proceeds from insurance income	0	0
Interest paid	(41)	(59)
Income taxes paid	(723)	(911)
Net cash provided by (used in) operating activities	5,770	5,993
Cash flows from investing activities		
Proceeds from sale of investment securities	–	189
Purchase of property, plant and equipment	(2,322)	(3,789)
Proceeds from sale of property, plant and equipment	26	1,673
Purchase of intangible assets	(293)	(107)
Decrease (increase) in long-term advance payments	–	(310)
Other, net	(26)	(1)
Net cash provided by (used in) investing activities	(2,616)	(2,345)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,000	6,000
Proceeds from long-term borrowings	4,000	1,000
Repayments of long-term borrowings	(3,140)	(1,756)
Proceeds from sale of treasury shares	–	11
Purchase of treasury shares	(0)	(9,405)
Dividends paid	(904)	(807)
Repayments of lease obligations	(505)	(476)
Net cash provided by (used in) financing activities	450	(5,435)
Effect of exchange rate change on cash and cash equivalents	(56)	(55)
Net increase (decrease) in cash and cash equivalents	3,547	(1,842)
Cash and cash equivalents at beginning of period	8,494	12,041
Cash and cash equivalents at end of period	12,041	10,199